

ANSELL – COMMITTED TO PROGRESS

PROTECTING LABOUR RIGHTS, HUMAN RIGHTS, DIVERSITY AND COMMUNITY



Introduction

This year Human Rights Day celebrates the 75th anniversary of the Universal Declaration of Human Rights, with the slogan: “Dignity, Freedom, and Justice for All” as the call to action #StandUp4HumanRights continues.

For nearly 130 years, Ansell has been protecting people and the planet and our ambitions are stronger today than ever. We are committed to respecting and protecting the human rights and labour rights of workers in our internal operations and third-party supply chain, and our greater community and stakeholders. We uphold high standards of labour management, safe and healthy workplace, and an engaged and diverse workforce. In recent years, we have continued to evolve and transform, adopting leading practices to constantly improve our standards.

I believe our corrective actions and the overall focus of multiple stakeholders are achieving tangible progress on labour rights issues in our third-party supply chain, and it is vital that we remain vigilant and continue to drive for improvement in all the geographic locations of Ansell’s value chain. We know that meaningful change requires collaboration across the international community, industry partners, governments, and non-government organisations, and we are committed to being part of the solution.

— Neil Salmon, CEO and Managing Director

Pictured: Neil at Ansell Thailand, in front of our latest renewable energy investment. In Thailand, we recently transferred more than 1,000 contract workers to direct Ansell employment contracts, thereby reducing our reliance on labour agents and improving employment conditions and benefits for these workers. Non-conformances related to the management of workers through labour agents is a systemic issue for our industry, with migrant workers widely recognised as being more vulnerable to exploitation.



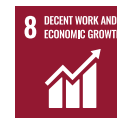
Our Commitment

Ansell’s labour practices align with the Universal Declaration of Human Rights, and the United Nations Guiding Principles on Business and the Human Rights and the International Labour Organization (ILO) Core Conventions.

Ansell seeks to protect the fundamental rights and freedoms of all those who work with us, with a company culture that welcomes and nurtures everyone, regardless of background or creed. [Global Code of Conduct](#) and [Corporate Social Responsibility Statement](#) uphold our core values for a responsible business. Our [Labour Standards Policy](#) and [Safety and Loss Control Policy](#) honour every worker’s right to dignity, integrity and non-discrimination.

In FY22 we introduced our reformed Global Grievance Policy, aligning grievance channels across the business and prioritising early detection. Our renewed [Diversity and Inclusion Policy](#) was launched on International Women’s Day this year, sharing our evolved approach to Diversity, Equity and Inclusion.

Contribution
to the UN SDGs



Read more

[2022 Sustainability Report](#)

[2022 Modern Slavery Statement](#)

[Our full list of policies](#)

Labour Rights

We uphold a culture based on trust, respect and open dialogue and promote positive and transparent employer-worker relations.

Our Labour Standards Management System has evolved in recent years to meet our increasing expectations for labour rights management. In our [Labour Standards Policy](#), we state our Zero Recruitment Fee Policy and Ansell was among the early adopters of recruitment fee remediation, initiating a reimbursement program for migrant workers in FY20. To continue to meet leading practice, in FY22 we engaged independent consultant, ELEVATE, to review our recruitment fee remediation program. The review identified that while our initial approach to remediation demonstrated best practices at the time, the financial amounts remediated to some migrant workers are now considered lower than the reported average. We have compensated affected workers with the difference through lump sum payments from July 2022.

Third-party audits of Ansell plants are conducted according to the Sedex Members Ethical Trade Audit (SMETA) four-pillar audit framework, which covers Labour, Health and Safety, Environment and Business Ethics, and is based on the Ethical Trading Initiative (ETI) Base Code and ILO Indicators of Forced Labour. This year we also completed a forced labour assessment (F-11) conducted by ELEVATE at one of our Asian plants to provide greater insight into possible improvements. We also continue to provide training to better equip management to assess and manage audit findings, and respond to instances of forced labour.

87%

Close out rate for FY22 SMETA non-conformances at our plants*

* As at 31 August 2022.



Our [Labour Standards Policy](#), which is supported by plant-specific Freedom of Association and Collective Bargaining policies, defines our approach to worker unions, committees, and councils, including in countries where there is limited regulation.

74%

Of workers are represented by worker councils, worker committees, unions or covered by collective bargaining agreements



Grievance mechanisms are an important part of our approach to identify and mitigate unjust, unfair or disrespectful treatment, including that related to labour rights and modern slavery. We have a 'no retaliation' policy to reassure employees that there will be no adverse consequences for reporting concerns in good faith. In FY22, we established a Global Grievance Policy and rolled out a new hotline (called Suara Kami in Malaysia, Xiang Shuo in China, and Nossa Voz in Brazil), which is externally managed through ELEVATE. Read more in our [2022 Modern Slavery Statement](#).

100+

Operations leaders attended training on ILO indicators of forced labour and management of labour rights



Ansell seeks to work with suppliers that align to our commitment to respect and uphold human rights. We set clear expectations through our Supplier Code of Conduct, which outlines our strict standards on protecting human rights and respecting fair labour practices.

In 2021, we established the Supplier Management Framework (SMF) to drive meaningful change in our supply chain by building on our existing due diligence program, including targeting areas of highest risk. Ansell works with suppliers to monitor and close out non-conformances following agreed timeframes and requirements. We acknowledge that audits are a snapshot in time and we know issues related to modern slavery and human rights exist in our industry. To combat these issues in FY22 we focused on engaging suppliers through top-to-top engagement and providing supplier training.

TRAINING SESSIONS

Related to modern slavery and labour rights run for 42 packaging, synthetic latex and plant sourcing suppliers and 7 labour agents



We also require suppliers to maintain a confidential grievance platform that is easily accessible to all workers and encourage workers to report any non-compliance with Ansell's [Supplier Code of Conduct](#) without fear of retaliation, as an important measure in early identification and remediation.



In line with commentary from the United Nations on Guiding Principle 19 and a recent joint publication by the ILO and the Malaysian Rubber Council, Ansell does not automatically cancel supplier contracts upon the allegation of forced labour. Instead, we choose to provide the supplier with the opportunity to demonstrate a commitment to improve working conditions through meaningful action. However, where we identify suppliers who do not align with our labour standards commitment and are not working in good faith to progress positive change in their labour standards compliance, we review our potential options, including finding alternate sources for our product and terminating the supplier relationship.

The Malaysian glove industry is the primary focus of allegations of adverse labour rights impacts, with risks compounded by high labour intensity and reliance on low-skilled migrant labour. The industry is making progress to address the most salient risks to its vulnerable workforce of migrant workers. As of 15 September 2022, Malaysian suppliers representing approximately 98% of Ansell's total finished goods spend have declared completion of their recruitment fees reimbursement program for currently employed migrant workers (total over US\$30m in reimbursement to more than 18,000 migrant workers in Malaysia). While we have seen improvement and corrective actions implemented amongst our suppliers, we remain vigilant and continue to support ongoing and systematic change in the industry. Read more in our [2022 Modern Slavery Statement](#).



In March 2022, the [Responsible Glove Alliance](#) (RGA) was launched, with seven founding members, including Ansell. The collaboration aims to drive transformational change on labour rights, and both prevent and remediate forced labour in the Malaysian glove industry.

Health and Safety

Our safety culture is founded on our passion for protection. We constantly uphold our core responsibility and accountability to ensure we send all our employees, contractors and visitors back home safely every day, everywhere.

In FY22, we recorded our lowest medical treatment injury (MTI) rate in 10 years (0.161), and recorded improvement in our lost time injury (LTI) rate to 0.051. Gratifyingly, our teams around the world contributed a staggering 10,511 improvement ideas to mitigate near misses, unsafe conditions and unsafe acts, setting a new trend and exceeding last year almost by 50%. COVID-19 posed a continuing challenge, and we continued with our protocols and prioritised making vaccines available. Read more in our [2022 Sustainability Report](#).

94%

Of Ansell's manufacturing employees have received two COVID-19 vaccinations, and 56% have also received a booster vaccination*

* As at 30 June 2022.



Engagement, Diversity and Inclusion

We recognise the value of a diversified workforce. Ansell seeks to promote an inclusive culture where employees are encouraged to succeed to the best of their abilities.

This year, employee-led regional network DE+I groups and our updated [Diversity and Inclusion Policy](#) were some of the highlights of our efforts to move away from a primary concentration on gender diversity to a broader view of diversity and increased focus on creating a more inclusive culture. Following on from the results of our 2021 Employee Engagement Survey, over 200 actions were taken by function and business units and individual teams to drive improvement. Read more in our [2022 Sustainability Report](#).

94%

Engagement rate at our 2021 biennial employee engagement and culture survey*

* For professional and production workers.



Community

Corporate Social Responsibility is a constant promise to operate with great regard to the quality of life of our employees, the local communities where we operate and society at large.

Highlights this year included:

- Ansell made its most significant product donations during FY22 to support humanitarian efforts for refugees fleeing Ukraine.
- Employees from our Krakow site also provided volunteer assistance to Ukrainian refugees arriving in Poland.
- During geopolitical turmoil, Ansell also provided support to enable Sri Lankan employees and their families to purchase essential items, such as food and medicine.



The primary recipient of our donations in Poland during the Ukraine refugee crisis was Caritas, an international charitable foundation. Additionally, Ansell donations reached seven hospitals providing maternity, oncology, and regional healthcare services.



Ansell product donations supplied to Operation Smile and Ophthalmology Worldwide protected surgeons and hospital staff in the Democratic Republic of the Congo.



Our Future Direction



In FY23, we will continue the roll-out of the Supplier Management Framework. The audit program under the SMF will include announced and unannounced SMETA audits and F-11 audits in some instances to focus on the indicators of forced labour to better protect workers' rights.

We will continue work on establishing living wage as a minimum for employees at all Ansell locations; to date, our results have showed that many Ansell facilities already pay at or above a living wage. We will use the existing processes at these plants and the outcomes of the benchmarking to develop a program for countries where there is still a gap. Working with ELEVATE, we expect to complete our extended recruitment fee remediation program for former workers* by FY23. We will also extend the use of unannounced and F-11 audits at our plants.

Our regional and global teams will continue to work towards improvement in our priority areas of focus identified in our 2021 Employee Engagement and Culture survey, including focus on DE+I across: Training, Talent & Acquisition, Career and Measurement.

At every Ansell plant, we will continue to transform safety culture to achieve world-class status in safety.

* These workers may have paid recruitment fees to agents in home countries but have repatriated after we announced our Zero Recruitment Fee Policy and policy on migrant worker hiring, as part of our ethical recruitment program.

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Thinking of people and planet first

Ansell Protects™